

WAL MART STORES INC

FORM 8-K

(Current report filing)

Filed 10/23/01 for the Period Ending 10/11/01

Address	702 SOUTHWEST 8TH ST BENTONVILLE, AR 72716
Telephone	5012734000
CIK	0000104169
Symbol	WMT
SIC Code	5331 - Variety Stores
Industry	Retail (Department & Discount)
Sector	Services
Fiscal Year	01/31

WAL MART STORES INC

FORM 8-K (Unscheduled Material Events)

Filed 10/23/2001 For Period Ending 10/11/2001

Address	702 SOUTHWEST 8TH ST BENTONVILLE, Arkansas 72716
Telephone	501-273-4000
CIK	0000104169
Industry	Retail (Department & Discount)
Sector	Services
Fiscal Year	01/31

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 or 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported):
October 18, 2001 (October 11, 2001)

Wal-Mart Stores, Inc.

(Exact name of registrant as specified in its charter)

Delaware

001-06991

71-0415188

(State or other
Jurisdiction of
Incorporation)

(Commission File
Number)

(IRS Employer
Identification No.)

702 S.W. 8th Street
Bentonville, Arkansas 72716
(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code:
(501) 273-4000

Item 5. Other Events.

On October 18, 2001, Wal-Mart Stores, Inc. (the "Company") completed the sale to Morgan Stanley & Co. Incorporated of \$500,000,000 aggregate principal amount of the Company's 3.25% Notes Due 2003 (the "Notes"), pursuant to the Pricing Agreement, dated as of October 11, 2001 (the "Pricing Agreement"), between the Company and Morgan Stanley & Co. Incorporated (and acknowledged by Wal-Mart Cayman (Euro) Finance Co., a Cayman Islands exempted company; Wal-Mart Cayman (Canadian) Finance Co., a Cayman Islands exempted company, Wal-Mart Cayman (Sterling) Finance Co., a Cayman Islands exempted company (collectively, the "Finance Subsidiaries")). The Pricing Agreement incorporates by reference the terms of that certain Underwriting Agreement, dated as of July 26, 2001, by and between the Company, the Finance Subsidiaries and the underwriters named therein. The series of Notes was created and established, and the terms and conditions of the series of Notes were established by action of the Company and an authorized officer of the Company pursuant to and in accordance with the Indenture, dated as of July 5, 2001, between the Company and the Finance Subsidiaries as Issuers, the Company as the Guarantor of any Debt Securities issued by any of the Finance Subsidiaries and Bank One Trust Company, NA, as Trustee (the "Indenture"). The terms of the Notes are as set forth in the Indenture and in the form of Notes. The Notes were delivered in the form of two global notes representing the Notes issued and sold (the "Global Notes"). Copies of the Pricing Agreement, the Underwriting Agreement, and the form of Global Notes, are attached as exhibits to this Current Report on Form 8-K. Also attached this Current Report on Form 8-K is a Series Terms Certificate, as contemplated by the Indenture, which evidences the establishment of certain terms and conditions of the Notes in accordance with the Indenture.

Item 7. Financial Statements and Exhibits.

(c) Exhibits

1(a) Underwriting Agreement, dated as of July 26, 2001, by and among the Company, the Finance Subsidiaries and the underwriters named therein.

1(b) Pricing Agreement, dated as of October 11, 2001, between the Company and Morgan Stanley & Co. Incorporated (and acknowledged by the Finance Subsidiaries)

4(a) Series Terms Certificate for Wal-Mart Stores, Inc. 3.25% Notes Due 2003.

4(b) Form of Global Note representing the Wal-Mart Stores, Inc. 3.25% Notes Due 2003.

5 Hughes & Luce, LLP Legality Opinion

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: October 18, 2001

WAL-MART STORES, INC.

By: /s/ Thomas M. Schoewe

Name: Thomas M. Schoewe
Title: Executive Vice President
and Chief Financial Officer

INDEX TO EXHIBITS

Exhibit Number -----	Description -----
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4(b)	Form of Global Note representing the Wal-Mart Stores, Inc. 3.25% Notes Due 2003.
5	Hughes & Luce, LLP Legality Opinion

Exhibit 1(a)

WAL-MART STORES, INC.

DEBT SECURITIES

UNDERWRITING AGREEMENT

July 26, 2001

The Underwriters Listed on Schedule I
to the Pricing Agreement (as defined herein)

Dear Sirs:

From time to time WAL-MART STORES, INC., a Delaware corporation (the "Company"), proposes to enter into one or more Pricing Agreements (each a "Pricing Agreement") in the form of Annex I hereto, with such additions and deletions as the parties thereto may determine, and, subject to the terms and conditions stated herein and therein, to issue and sell to the firms named in Schedule I to the applicable Pricing Agreement (such firms constituting the "Underwriters" with respect to such Pricing Agreement and the securities specified therein) certain of its debt securities (the "Securities") specified in Schedule II to such Pricing Agreement (with respect to such Pricing Agreement, the "Designated Securities").

The terms and rights of any particular issuance of Designated Securities shall be as specified in the Pricing Agreement relating thereto and in or pursuant to the indenture (the "Indenture") identified in such Pricing Agreement.

1. Particular sales of Designated Securities may be made from time to time to the Underwriters of such Securities, for whom the firms designated as representatives of the Underwriters of such Securities in the Pricing Agreement relating thereto will act as representatives (the "Representatives"). The term "Representatives" also refers to a single firm acting as sole representative of the Underwriters and to Underwriters who act without any firm being designated as their representative. This Underwriting Agreement shall not be construed as an obligation of the Company to sell any of the Securities or as an obligation of the Underwriter to purchase the Securities. The obligation of the Company to issue and sell any of the Securities shall be evidenced by the Pricing Agreement with respect to the Designated Securities specified therein. Each Pricing Agreement shall specify (a) in Schedule I thereto (i) the names of the Underwriters of such Designated Securities and (ii) the principal amount of Designated Securities to be purchased by each Underwriter on the Time of Delivery (as defined herein) and (b) in Schedule II thereto (i) the title or titles of the Designated Securities, (ii) the aggregate principal amount or amounts of the Designated Securities, (iii) the initial public offering price of

the Designated Securities, (iv) the purchase price or prices to the Underwriters of the Designated Securities, and, to the extent applicable, the selling concession or concessions and reallowance concession or concessions applicable to the Underwriters and dealers, as the case may be, (v) specified funds, if any, for payment of the purchase price for the Designated Securities, (vi) the title of the Indenture under which the Designated Securities are being issued,

(vii) the maturity or maturities of the Designated Securities, (viii) the interest rate or rates of the Designated Securities, (ix) the interest payment dates of the Designated Securities, (x) the record date or dates of the Designated Securities, (xi) the redemption provisions, if any, of the Designated Securities, (xii) the sinking fund provisions, if any, of the Designated Securities, (xiii) the Time of Delivery, (xiv) the closing location with respect to the closing of the sale of the Designated Securities pursuant to this Agreement and the Pricing Agreement, (xv) the name or names and address or addresses of the Representatives of the Underwriters and (xvii) such other terms, conditions or other provisions that supplement, amend or modify this Agreement or the Indenture with respect to the Designated Securities. A Pricing Agreement shall be in the form of an executed writing (which may be in counterparts), and may be evidenced by an exchange of telegraphic communications or any other rapid transmission device designed to produce a written record of communications transmitted. The obligations of the Underwriters under this Agreement and each Pricing Agreement shall be several and not joint.

2. The Company represents and warrants to, and agrees with, each of the Underwriters that:

(a) A registration statement in respect of the Securities (File No. 333-64740) has been filed with the Securities and Exchange Commission (the "Commission"); such registration statement and any post-effective amendments thereto, each in the form heretofore delivered or to be delivered to the Representatives and, excluding exhibits to such registration statement but including all documents incorporated by reference in each prospectus contained therein, delivered to the Representatives for each of the other Underwriters has been declared effective by the Commission in such form; no other document with respect to such registration statement or document incorporated by reference therein has heretofore been filed or transmitted for filing with the Commission; and no stop order suspending the effectiveness of such registration statement has been issued and no proceeding for that purpose has been initiated or threatened by the Commission (any preliminary prospectus included in such registration statement or filed with the Commission pursuant to Rule 424(a) of the rules and regulations of the Commission under the Securities Act of 1933, as amended (the "Act"), being hereinafter called a "Preliminary Prospectus"); the various parts of such registration statement, including all exhibits thereto and the documents incorporated by reference in the prospectus contained in the registration statement at the time such part of the registration statement became effective but excluding Form T-1, each as amended at the time such part of the registration statement became effective, being hereinafter called the "Registration Statement"; each prospectus relating to the Securities, in the form in which it has most recently been filed, or transmitted for filing, with the Commission on or prior to the date of this Agreement, being hereinafter called the "Prospectus"; any reference herein to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to the applicable form

under the Act, as of the date of such Preliminary Prospectus or Prospectus, as the case may be; any reference to any amendment or supplement to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any documents filed after the date of such Preliminary Prospectus or the Prospectus, as the case may be, under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and incorporated by reference in such Preliminary Prospectus or Prospectus, as the case may be; any reference to any amendment to the Registration Statement shall be deemed to refer to and include any annual report of the Company filed pursuant to Section 13(a) or 15(d) of the Exchange Act after the applicable effective date of the Registration Statement that is incorporated by reference in the Registration Statement; and any reference to the Prospectus as amended or supplemented shall be deemed to refer to the Prospectus as amended or supplemented in relation to the applicable Designated Securities in the form in which it is filed with the Commission pursuant to Rule 424(b) under the Act in accordance with Section 6(a) hereof, including any documents incorporated by reference therein as of the date of such filing;

(b) The documents incorporated by reference in the Prospectus, when they became effective or were filed with the Commission, as the case may be, conformed in all material respects to the requirements of the Act or the Exchange Act, as applicable, and the rules and regulations of the Commission thereunder, and none of such documents contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading; and any further documents so filed and incorporated by reference in the Prospectus or any further amendment or supplement thereto, when such documents become effective or are filed with the Commission, as the case may be, will conform in all material respects to the requirements of the Act or the Exchange Act, as applicable, and the rules and regulations of the Commission thereunder and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter of Designated Securities through the Representatives expressly for use in the Prospectus as amended or supplemented relating to such Securities;

(c) The Registration Statement and the Prospectus conform, and any further amendments or supplements to the Registration Statement or the Prospectus will conform, in all material respects to the requirements of the Act and the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act") and the rules and regulations of the Commission thereunder and do not and will not, as of the applicable effective dates as to the Registration Statement and any amendments thereto and as of the applicable filing date as to the Prospectus and any amendment or supplement thereto, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company

by

an Underwriter of Designated Securities through the Representatives expressly for use in the Prospectus as amended or supplemented relating to such Securities;

(d) Neither the Company nor any of its subsidiaries has sustained since the date of the latest audited financial statements included or incorporated by reference in the Prospectus any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Prospectus; and, since the respective dates as of which information is given in the Registration Statement and the Prospectus, there has not been any material change in the capital stock or long-term debt of the Company or any of its subsidiaries or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations of the Company and its subsidiaries, otherwise than as set forth or contemplated in the Prospectus;

(e) The Company and its subsidiaries have good and marketable title in fee simple to all real property and good and marketable title to all personal property owned by them, in each case free and clear of all liens, encumbrances and defects except such as are described in the Prospectus or such as do not individually or in the aggregate materially affect the consolidated financial position, stockholders' equity or results of operation of the Company and its subsidiaries and do not interfere with the use made and proposed to be made of such property by the Company and its subsidiaries; and any real property and buildings held under lease by the Company and its subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company and its subsidiaries;

(f) The Company and its subsidiaries own or possess, or can acquire on reasonable terms, adequate trademarks, service marks and trade names necessary to conduct the business now operated by them, and neither the Company nor any of its subsidiaries has received any notice of infringement of or conflict with asserted rights of others with respect to any trademarks, service marks or trade names that, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would materially adversely affect the conduct of the business, operations, financial condition or income of the Company and its subsidiaries considered as one enterprise;

(g) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, with power and authority (corporate and other) to own its properties and conduct its business as described in the Prospectus, and has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties, or conducts any business, so as to require such qualification, or is subject to no material liability or disability by reason of the failure to be so qualified in any such jurisdiction; and each subsidiary of the Company

has been duly incorporated and is validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation;

(h) The Company has an authorized capitalization as set forth in the Prospectus, and all of the issued shares of capital stock of the Company have been duly and validly authorized and issued and are fully paid and nonassessable and all of the issued shares of capital stock of each subsidiary of the Company have been duly and validly authorized and issued, are fully paid and nonassessable and (except for directors' qualifying shares and except as otherwise set forth in the Prospectus) are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims;

(i) The Securities have been duly authorized, and, when the Designated Securities are issued and delivered pursuant to this Agreement and the Pricing Agreement with respect to such Designated Securities, such Designated Securities will have been duly executed, authenticated, issued and delivered and will constitute valid and legally binding obligations of the Company entitled to the benefits provided by the Indenture, which will be substantially in the form filed as an exhibit to each of the Registration Statements; the Indenture has been duly authorized and duly qualified under the Trust Indenture Act and, at the Time of Delivery for such Designated Securities (as defined in Section 5 hereof), the Indenture will constitute a valid and legally binding instrument, enforceable in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles; and the Indenture conforms, and the Designated Securities will conform, to the descriptions thereof contained in the Prospectus as amended or supplemented with respect to such Designated Securities;

(j) The issue and sale of the Securities and the compliance by the Company with all of the provisions of the Securities, the Indenture, this Agreement and any Pricing Agreement, and the consummation of the transactions herein and therein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject, nor will such action result in any violation of the provisions of the Certificate of Incorporation or Bylaws of the Company or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the issue and sale of the Securities or the consummation by the Company of the transactions contemplated by this Agreement or any Pricing Agreement or the Indenture, except such as have been, or will have been prior to the Time of Delivery, obtained under the Act and the Trust Indenture Act and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Securities by the Underwriters;

(k) Other than as set forth in the Prospectus, there are no legal or governmental proceedings pending to which the Company or any of its subsidiaries is a party or of which any property of the Company or any of its subsidiaries is the subject that, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate have a material adverse effect on the consolidated financial position, stockholders' equity or results of operations of the Company and its subsidiaries; and, to the best of the Company's knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others; and

(l) Ernst & Young LLP, who have certified certain financial statements of the Company and its subsidiaries, are, to the best knowledge of management of the Company, independent public accountants as required by the Act and the rules and regulations of the Commission thereunder.

3. Each of Wal-Mart Cayman (Euro) Finance Co., Wal-Mart Cayman (Canadian) Finance Co. and Wal-Mart Cayman (Sterling) Finance Co., as wholly-owned subsidiaries of the Company and as parties to the Indenture (collectively, the "Finance Subsidiaries"), jointly and severally represent and warrant to, and agree with, each of the Underwriters to the effect set forth in Sections 2(a), 2(b), 2(c), 2(d), 2(g), 2(i) and 2(j) to the fullest extent applicable to each such Finance Subsidiary (with references to the Company in such Sections being deemed to refer to the Finance Subsidiaries for purposes of this Section 3).

4. Upon the execution of the Pricing Agreement applicable to any Designated Securities and authorization by the Representatives of the release of such Designated Securities, the several Underwriters propose to offer such Designated Securities for sale upon the terms and conditions set forth in the prospectus as amended or supplemented.

5. Designated Securities to be purchased by each Underwriter pursuant to the Pricing Agreement relating thereto, in definitive form to the extent practicable, and in such authorized denominations and registered in such name as the Representatives may request upon at least forty-eight hours' prior notice to the Company, shall be delivered by or on behalf of the Company to the representatives, against payment by such Underwriter or on its behalf of the purchase price therefor by certified or official bank check or checks, payable to the order of the Company in the funds specified in such Pricing Agreement, all at the place and time and date specified in such Pricing Agreement or at such other place and time and date as the Representatives and the Company may agree upon in writing, such time and date being herein called the "Time of Delivery" for such Securities.

6. The Company agrees with each of the Underwriters of any Designated Securities:

(a) To prepare the Prospectus as amended and supplemented in relation to the applicable Designated Securities in a form approved by the Representatives and to file such Prospectus pursuant to Rule 424(b) under the Act not later than the Commission's close of business on the second business day following the execution and delivery of the Pricing Agreement relating to the applicable Designated Securities or, if applicable, such

earlier time as may be required by Rule 424(b); to make no further amendment or any supplement to the Registration Statements or Prospectus as amended or supplemented after the date of the Pricing Agreement relating to such Securities and prior to the Time of Delivery for such Securities that shall be disapproved by the Representatives for such Securities promptly after reasonable notice thereof; to advise the Representatives promptly of any such amendment or supplement after such Time of Delivery and furnish the Representatives with copies thereof; to file promptly all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act for so long as the delivery of a prospectus is required in connection with the offering or sale of such Securities, and during such same period to advise the Representatives, promptly after it receives notice thereof, of the time when any amendment to the Registration Statements has been filed or becomes effective or any supplement to the Prospectus or any amended Prospectus has been filed with the Commission, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any prospectus relating to the Securities, of the suspension of the qualification of such Securities for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statements or Prospectus or for additional information; and, in the event of the issuance of any such stop order or of any such order preventing or suspending the use of any prospectus relating to the Securities or suspending any such qualification, to use promptly its best efforts to obtain its withdrawal;

(b) Promptly from time to time to take such action as the Representatives may reasonably request to qualify such Securities for offering and sale under the securities laws of such jurisdictions as the Representatives may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of such Securities, provided that in connection therewith the Company shall not be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction;

(c) To furnish the Underwriters with copies of the Prospectus as amended or supplemented in such quantities as the Representatives may from time to time reasonably request, and, if the delivery of a prospectus is required at any time in connection with the offering or sale of the Securities and if at such time any event shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus is delivered, not misleading, or, if for any other reason it shall be necessary during such same period to amend or supplement the Prospectus or to file under the Exchange Act any document incorporated by reference in the Prospectus in order to comply with the Act, the Exchange Act or the Trust Indenture Act, to notify the Representatives and upon their request to file such document and to prepare and furnish without charge to each Underwriter and to any dealer in securities as many copies as the Representatives may from time to time reasonably request of an amended Prospectus or a

supplement to the Prospectus that will correct such statement or omission or effect such compliance;

(d) To make generally available to its security holders as soon as practicable, but in any event not later than eighteen months after the effective date of the Registration Statement (as defined in Rule 158(c)), an earnings statement of the Company and its subsidiaries (which need not be audited) complying with Section 11(a) of the Act and the rules and regulations of the Commission thereunder (including, at the option of the Company, Rule 158);

(e) During the period beginning from the date of the Pricing Agreement for such Designated Securities and continuing to and including the earlier of (i) the termination of trading restrictions for such Designated Securities, as notified to the Company by the Representatives and (ii) the Time of Delivery for such Designated Securities, not to offer, sell, contract to sell or otherwise dispose of any debt securities of the Company that mature more than one year after such Time of Delivery and that are substantially similar to such Designated Securities, without the prior written consent of the Representatives;

(f) To furnish to the holders of the Securities, upon such holders' request, as soon as practicable after the end of each fiscal year an annual report (including a balance sheet and statements of income, stockholders' equity and cash flow of the Company and its consolidated subsidiaries certified by independent public accountants) and, as soon as practicable after the end of each of the first three quarters of each fiscal year (beginning with the fiscal quarter ending after the effective date of the Registration Statements), consolidated summary financial information of the Company and its subsidiaries for such quarter in reasonable detail; and

(g) During a period of five years from the effective date of the Registration Statement, to furnish to you copies of all reports or other communications (financial or other) furnished to stockholders, and deliver to you (i) as soon as they are available, copies of any reports and financial statements furnished to or filed with the Commission or any national securities exchange on which the Securities or any class of securities of the Company is listed; and (ii) such additional information concerning the business and financial condition of the Company as you may from time to time reasonably request (such financial information and statements to be on a consolidated basis in reports furnished to its stockholders generally or to the Commission); and

(h) To use the net proceeds received by it from the sale of

the Designated Securities pursuant to this Agreement in the manner specified in the Prospectus, including in any supplement thereto, relating to the offer and sale of the Designated Securities.

7. Each of the Finance Subsidiaries jointly and severally agrees with each of the Underwriters of the Designated Securities to the effect set forth in Sections 6(a), 6(c), 6(e) and 6(g) to the fullest extent applicable to each such Finance Subsidiary (with references to the

Company in such Sections being deemed to refer to the Finance Subsidiaries for purposes of this Section 7).

8. The Company covenants and agrees with the several Underwriters that the Company will pay or cause to be paid the following: (i) the fees, disbursements and expenses of the Company's counsel and accountants in connection with the registration of the Securities under the Act and all other expenses in connection with the preparation, printing and filing of the Registration Statements, any Preliminary Prospectus and the Prospectus and amendments and supplements thereto and the mailing and delivering of copies thereof to the Underwriters and dealers; (ii) the cost of printing or producing any Agreement among Underwriters, this Agreement, any Pricing Agreement, any Indenture, any Blue Sky and Legal Investment Memoranda and any other documents in connection with the offering, purchase, sale and delivery of the Securities; (iii) all expenses in connection with the qualification of the Securities for offering and sale under state securities laws as provided in Section 6(b) hereof, including the fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky and legal investment surveys; (iv) any fees charged by securities rating services for rating the Securities; (v) the cost of preparing the Securities; (vi) the fees and expenses of any Trustee and any agent of any Trustee and the fees and disbursements of counsel for any Trustee in connection with any Indenture and the Securities; and (vii) all other costs and expenses incident to the performance of its obligations hereunder that are not otherwise specifically provided for in this Section. It is understood, however, that, except as provided in this Section 8, Section 10 and Section 12 hereof, the Underwriters will pay all of their own costs and expenses including the fees of their counsel, transfer taxes on resale of any of the Securities by them and any advertising expenses connected with any offers they may make.

9. The obligations of the Underwriters of any Designated Securities under the Pricing Agreement relating to such Designated Securities shall be subject, in the discretion of the Representatives, to the condition that all representations and warranties and other statements of the Company in or incorporated by reference in the Pricing Agreement relating to such Designated Securities are, at and as of the Time of Delivery for such Designated Securities, true and correct, the condition that the Company shall have performed all of its obligations hereunder theretofore to be performed, and the following additional conditions:

(a) The Prospectus as amended or supplemented in relation to the applicable Designated Securities shall have been filed with the Commission pursuant to Rule 424(b) within the applicable time period prescribed for such filing by the rules and regulations under the Act and in accordance with Section 6(a) hereof; no stop order suspending the effectiveness of the Registration Statement or any part thereof shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission; and all requests for additional information on the part of the Commission shall have been complied with to the Representatives' reasonable satisfaction;

(b) Simpson Thacher & Bartlett, counsel for the Underwriters, shall have furnished to the Representatives such opinion or opinions, dated the Time of Delivery for such Designated Securities, with respect to the incorporation of the Company, the validity of the Indenture, the Designated Securities, the Registration Statements, the Prospectus as

amended or supplemented and other related matters as the Representatives may reasonably request, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters;

(c) Anthony D. George, Esq., counsel for the Company, shall have furnished to the Representatives his written opinion, dated the Time of Delivery for such Designated Securities, in form and substance satisfactory to the Representatives, to the effect that the Company and its subsidiaries have good and marketable title in fee simple to all real property owned by them, in each case free and clear of all liens, encumbrances and defects except such as are described in the Prospectus or such as do not individually or in the aggregate materially affect the consolidated financial position, stockholders' equity or results of operation of the Company and do not materially interfere with the use made and proposed to be made of such property by the Company and its subsidiaries; and any real property and buildings held under lease by the Company and its subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not materially interfere with the use made and proposed to be made of such property and buildings by the Company and its subsidiaries (in giving the opinion in this clause, such counsel may state that no examination of record titles for the purpose of such opinion has been made, and that he is relying upon a general review of the titles of the Company and its subsidiaries, upon opinions of local counsel and abstracts, reports and policies of title companies rendered or issued at or subsequent to the time of acquisition of such property by the Company or its subsidiaries, upon opinions of counsel to the lessors of such property and, in respect of matters of fact, upon certificates of officers of the Company or its subsidiaries, provided that such counsel shall state that he believes that both the Representatives and he are justified in relying upon such opinions, abstracts, reports, policies and certificates);

(d) Hughes & Luce, LLP, outside counsel for the Company, shall have furnished to the Representatives their written opinion, dated the Time of Delivery for such Designated Securities, in form and substance satisfactory to the Representatives, to the effect that:

(i) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of its incorporation, with power and authority (corporate and other) to own its properties and conduct its business as described in the Prospectus as amended or supplemented;

(ii) The Company has an authorized capitalization as set forth in the Prospectus as amended or supplemented and all of the issued shares of capital stock of the Company have been duly and validly authorized and issued and are fully paid and nonassessable;

(iii) The Company has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties, or conducts any business, so as to require such qualification, or is subject to no material liability or disability by

reason of the failure to be so qualified in any such jurisdiction (such counsel being entitled to rely in respect of the opinion in this clause upon opinions of local counsel and in respect of matters of fact upon certificates of officers of the Company, provided that such counsel shall state that they believe that both the Representatives and they are justified in relying upon such opinions and certificates);

(iv) Each subsidiary of the Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation; and all of the issued shares of capital stock of each such subsidiary have been duly and validly authorized and issued, are fully paid and nonassessable, and (except for directors' qualifying shares and except as otherwise set forth in the Prospectus) are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims (such counsel being entitled to rely in respect of the opinion in this clause upon opinions of local counsel and in respect of matters of fact upon certificates of officers of the Company or its subsidiaries, provided that such counsel shall state that they believe that both the Representatives and they are justified in relying upon such opinions and certificates);

(v) To the best of such counsel's knowledge and other than as set forth in the Prospectus, there are no legal or governmental proceedings pending to which the Company or any of its subsidiaries is a party or of which any property of the Company or any of its subsidiaries is the subject that, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate have a material adverse effect on the consolidated financial position, stockholders' equity or results of operations of the Company and its subsidiaries; and, to the best of such counsel's knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others;

(vi) This Agreement and the Pricing Agreement with

respect to the Designated Securities have been duly authorized, executed and delivered by the Company;

(vii) The Designated Securities have been duly authorized, executed, authenticated, issued and delivered and constitute valid and legally binding obligations of the Company entitled to the benefits provided by the Indenture; and are enforceable against the Company entitled to the benefits provided by the Indenture and are enforceable against the Company in accordance with the terms of the Designated Securities; and the Designated Securities and the Indenture conform to the descriptions thereof in the Prospectus as amended or supplemented;

(viii) The Indenture has been duly authorized, executed

and delivered by the Company and constitutes a valid and legally binding instrument, enforceable in accordance with its terms, subject, as to enforcement, to bankruptcy,

insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles; and the Indenture has been duly qualified under the Trust Indenture Act;

(ix) The issue and sale of the Designated Securities and the compliance by the Company with all of the provisions of the Designated Securities, the Indenture, this Agreement and the Pricing Agreement with respect to the Designated Securities and the consummation of the transactions herein and therein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument known to such counsel to which the Company is a party or by which the Company is bound or to which any of the property or assets of the Company is subject, nor will such actions result in any violation of the provisions of the Certificate of Incorporation or Bylaws of the Company or any statute or any order, rule or regulation known to such counsel of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties;

(x) No consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the issue and sale of the Designated Securities or the consummation by the Company of the transactions contemplated by this Agreement or such Pricing Agreement or the Indenture, except such as have been obtained under the Act and the Trust Indenture Act and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Designated Securities by the Underwriters;

(xi) The documents incorporated by reference in the Prospectus as amended or supplemented (other than the financial statements and related schedules therein, as to which such counsel need express no opinion), when they became effective or were filed with the Commission, as the case may be, complied as to form in all material respects with the requirements of the Act or the Exchange Act, as applicable, and the rules and regulations of the Commission thereunder; and they have no reason to believe that any of such documents, when they became effective or were so filed, as the case may be, contained, in the case of a registration statement that became effective under the Act, an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or, in the case of other documents that were filed under the Act or the Exchange Act with the Commission, an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such documents were so filed, not misleading;

and

(xii) The Registration Statements and the Prospectus as amended or supplemented and any further amendments and supplements thereto made by the Company prior to the Time of Delivery for the Designated Securities (other than the financial statements and related schedules therein, as to which such counsel need express no opinion) comply as to form in all material respects with the requirements of the Act and the Trust Indenture Act and the rules and regulations thereunder; they have no reason to believe that, as of their respective effective dates, the Registration Statements or any further amendment thereto made by the Company prior to the Time of Delivery (other than the financial statements and related schedules therein, as to which such counsel need express no opinions contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or that, as of its date, the Prospectus as amended or supplemented or any further amendment or supplement thereto made by the Company prior to the Time of Delivery other than the financial statements and related schedules therein as to which such counsel need express no opinion) contained an untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein in light of the circumstances in which they were made, not misleading or that, as of the Time of Delivery, either the Registration Statements or the Prospectus as amended or supplemented or any further amendment or supplement thereto made by the Company prior to the Time of Delivery (other than the financial statements and related schedules therein, as to which such counsel need express no opinion) contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading; and they do not know of any amendment to the Registration Statements required to be filed or any contracts or other documents of a character required to be filed as an exhibit to the Registration Statements or required to be incorporated by reference into the Prospectus as amended or supplemented or required to be described in the Registration Statements or the Prospectus as amended or supplemented that are not filed or incorporated by reference or described as required;

(xiii) The statements made in any tax consequences or tax considerations sections in the Prospectus, including in any supplement thereto, insofar as they purport to constitute summaries of matters of United States federal tax law and regulations or legal conclusions with respect thereto, constitute accurate summaries of the matters described therein in all material respects; and

(xiv) Each Registration Statement registering the offer and sale of the Designated Securities has become effective under the Act, and the Prospectus relating to the Designated Securities, including all amendments and supplements thereto, was filed within the prescribed time periods pursuant to Rule 424(b) of the rules and regulations under the Act and, to our knowledge, no stop order suspending the effectiveness of the Registration Statements has been issued or proceeding for the purpose has been instituted or threatened by the Commission;

Such counsel may rely, with respect to matters of New York law, on the written opinion of Fulbright & Jaworski LLP, provided that such opinion is in form and substance satisfactory to the Representatives and a copy thereof shall be delivered to the Representatives at the Time of Delivery for such Designated Securities.

(e) Walkers, Cayman Islands counsel for the Finance Subsidiaries, shall have furnished to the Representatives their written opinion, dated the Time of Delivery for such Designated Securities, in form and substance satisfactory to the Representatives, (i) substantially to the effect set forth in Sections 9(d)(i), 9(d)(vi), 9(d)(viii), 9(d)(ix) and 9(d)(x) to the fullest extent applicable to each such Finance Subsidiary (with references to the Company in such Sections being deemed to refer to the Finance Subsidiaries for purposes of this Section 9(e)) and (ii) with respect to such other matters as the Representatives may reasonably request;

(f) At the Time of Delivery for such Designated Securities, Ernst & Young LLP shall have furnished to the Representatives a "comfort" letter or letters dated such Time of Delivery as to such matters as the Representatives may reasonably request and in form and substance satisfactory to the Representatives;

(g) (i) Neither the Company nor any of its subsidiaries shall have sustained since the date of the latest audited financial statements included or incorporated by reference in the Prospectus as amended or supplemented any loss or interference with its business from fire, explosion, flood or other calamity whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Prospectus as amended or supplemented, and (ii) since the respective dates as of which information is given in the Prospectus as amended or supplemented there shall not have been any change in the capital stock or long-term debt of the Company or any of its subsidiaries or any change, or any development involving a prospective change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations of the Company and its subsidiaries, otherwise than as set forth or contemplated in the Prospectus as amended or supplemented, the effect of which, in any such case described in clause (i) or (ii), is in the judgment of the Representatives so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Designated Securities on the terms and in the manner contemplated in the Prospectus as amended or supplemented;

(h) On or after the date of the Pricing Agreement relating to the Designated Securities (i) no downgrading shall have occurred in the rating accorded the Company's debt securities (including, without limitation, any guaranteed debt securities) by any "nationally recognized statistical rating organization," as that term is defined by the Commission for purposes of Rule 436(g)(2) under the Act and (ii) no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the Company's debt securities;

(i) On or after the date of the Pricing Agreement relating to the Designated Securities there shall not have occurred any of the following: (i) a suspension or material

limitation in trading in securities generally on the New York Stock Exchange; (ii) a general moratorium on commercial banking activities in New York declared by either Federal or New York State authorities; or (iii) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war if the effect of any such event specified in this clause (iii) in the judgment of the Representatives makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Designated Securities on the terms and in the manner contemplated in the prospectus as amended or supplemented; and

(j) The Company shall have furnished or caused to be furnished to the Representatives at the Time of Delivery for the Designated Securities a certificate or certificates of officers of the Company satisfactory to the Representatives as to the accuracy of the representations and warranties of the Company herein at and as of such Time of Delivery, as to the performance by the Company of all of its obligations hereunder to be performed at, or prior to, such Time of Delivery, as to the matters set forth in Sections 9(a) and 9(g) and as to such other matters as the Representatives may reasonably request.

10. (a) The Company will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities for actions in respect thereof, arise out of or are based upon an untrue statement or alleged untrue statement, of a material fact contained in any Preliminary Prospectus, any preliminary prospectus supplement, the Registration Statements, the Prospectus as amended or supplemented and any other prospectus relating to the Securities or included in the Registration Statement, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus, any preliminary prospectus supplement, the Registration Statements, the Prospectus as amended or supplemented and any other prospectus relating to the Securities or included in the Registration Statement, or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Company by any Underwriter of Designated Securities expressly for use in the Prospectus as amended or supplemented relating to such Securities.

(b) Each Underwriter will indemnify and hold harmless the Company against any losses, claims, damages or liabilities to which the Company may become subject, under the Act or otherwise insofar as such losses, claims, damages or liabilities (or actions in respect thereof, arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, any preliminary prospectus supplement, the Registration Statements, the Prospectus as amended or supplemented and any other prospectus relating to the Securities or included in the Registration Statement, or any amendment or

supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the Statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in any Preliminary Prospectus, any preliminary prospectus supplement, the Registration Statements, the Prospectus as amended or supplemented and any other prospectus relating to the Securities or included in the Registration Statement, or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Company by such Underwriter through the Representatives expressly for use therein; and will reimburse the Company for any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such action or claim as such expenses are incurred.

(c) Promptly after receipt by an indemnified party under Section 10(a) or 10(b) of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability that it may have to any indemnified party otherwise than under such subsection. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation.

(d) If the indemnification provided for in this Section 10 is unavailable to or insufficient to hold harmless an indemnified party under Section 10(a) or 10(b) in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities for actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters of the Designated Securities on the other from the offering of the Designated Securities to which such loss, claim, damage or liability (or action in respect thereof) relates. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under Section 10(c), then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and the Underwriters of the Designated Securities on the other in connection with the statement or omissions that resulted in such losses claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and such Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from such offering (before deducting expenses) received by the Company bear

to the total underwriting discounts and commissions received by such Underwriters. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or such Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Finance Subsidiaries and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 10(d) were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to above in this Section 10(d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this

Section 10(d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 10(d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the applicable Designated Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The obligations of the Underwriters of Designated Securities in this Section 10(d) to contribute are several in proportion to their respective underwriting obligations with respect to such securities and are not joint.

(e) The obligations of the Company under this Section 10 shall be in addition to any liability that the Company may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Underwriter within the meaning of the Act; and the obligations of the Underwriters under this Section 10 shall be in addition to any liability that the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each director and officer of the Company and to each person, if any, who controls the Company within the meaning of the Act.

11. (a) If any Underwriter shall default in its obligation to purchase the Designated Securities that it has agreed to purchase under the Pricing Agreement relating to such Designated Securities, the Representatives may in their discretion arrange for themselves or another party or other parties to purchase such Designated Securities on the terms contained herein. If within thirty-six hours after such default by any Underwriter the Representatives do not arrange for the purchase of such Designated Securities, then the Company shall be entitled to a further period of thirty-six hours within which to procure another party or other parties satisfactory to the Representatives to purchase such Designated Securities on such terms. In the event that, within the respective prescribed period, the Representatives notify the Company that they have so arranged for the purchase of such Designated Securities, or the Company notifies the Representatives that it has so arranged for the Purchase of such Designated Securities, the representatives or the Company shall have the right to postpone the Time of Delivery for such Designated Securities for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statements or the Prospectus as

amended or may thereby be made necessary in the Registration Statements or the Prospectus as amended or supplemented, or in any other documents or arrangements, and the Company agrees to file promptly any amendments or supplements to the Registration Statements or the Prospectus that in the opinion of the Representatives may thereby be made necessary. The term "Underwriter" as used in this Agreement shall include any person substituted under this Section 11 with like effect as if such person had originally been a party to the Pricing Agreement with respect to such Designated Securities.

(b) If, after giving effect to any arrangements for the purchase of the Designated Securities of a defaulting Underwriter or Underwriters by the Representatives and the Company as provided in Section 11(a), the aggregate principal amount of such Designated Securities that remains unpurchased does not exceed one-eleventh of the aggregate principal amount of the Designated Securities, then the Company shall have the right to require each non-defaulting Underwriter to purchase the principal amount of Designated Securities that such Underwriter agreed to purchase under the Pricing Agreement relating to such Designated Securities and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the principal amount of Designated Securities that such Underwriter agreed to purchase under such Pricing Agreement) of the Designated Securities of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of the Designated Securities of a defaulting Underwriter or Underwriters by the Representatives and the Company as provided in Section 11(a), the aggregate principal amount of Designated Securities that remains unpurchased exceeds one-eleventh of the aggregate principal amount of the Designated Securities, as referred to in Section 11(b), or if the Company shall not exercise the right described in Section 11(b) to require non-defaulting Underwriters to purchase Designated Securities of a defaulting Underwriter or underwriters then the Pricing Agreement relating to such Designated Securities shall thereupon terminate, without liability on the part of any non-defaulting Underwriter or the Company, except for the expenses to be borne by the Company and the Underwriters as provided in Section 8 hereof and the indemnity and contribution agreements in Section 10 hereof but nothing herein shall relieve a defaulting Underwriter from liability for its default.

12. The respective indemnities, agreements, representations, warranties and other statements of the Company and the Finance Subsidiaries and the several Underwriters, as set forth in this Agreement or made by or on behalf of them, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Underwriter or any controlling person of any Underwriter, or the Company or the Finance Subsidiaries or any director or officer or controlling person of the Company or the Finance Subsidiaries, and shall survive delivery of and payment for the Securities.

13. If any Pricing Agreement shall be terminated pursuant to Section 11 hereof, the Company shall not then be under any liability to any Underwriter with respect to the Designated Securities covered by such pricing Agreement except as provided in Section 8 and Section 10

hereof; but, if for any other reason Designated Securities are not delivered by or on behalf of the Company as provided herein, the Company will reimburse the Underwriters through the Representatives for all out-of-pocket expenses approved in writing by the Representatives, including fees and disbursements of counsel, reasonably incurred by the Underwriters in making preparations for the purchase, sale and delivery of such Designated Securities, but the Company shall then be under no further liability to any Underwriter with respect to such Designated Securities except as provided in Section 8 and Section 10 hereof.

14. In all dealings hereunder, the Representatives of the Underwriters of Designated Securities shall act on behalf of each of such Underwriters, and the parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by such Representatives jointly or by such of the Representatives, if any, as may be designated for such purpose in the Pricing Agreement.

15. All statements, requests, notices and agreements hereunder shall be in writing, and if to the Company or any Finance Subsidiaries, shall be delivered or sent by mail, telex or facsimile transmission (which shall be effective upon confirmation by telephone) to the address of the Company set forth in the Registration Statements, Attention: Chief Executive Officer, with a copy to the General Counsel of the Company; and, if to the Underwriters, shall be delivered or sent by mail, telex or facsimile transmission (which shall be effective upon confirmation by telephone) to the address or addresses of the Representative or Representatives, as the case may be, as set forth in the Pricing Agreement, provided, however, that any notice to an Underwriter pursuant to Section 8(c) hereof shall be delivered or sent by mail telex or facsimile transmission (which shall be effective upon confirmation by telephone) to such Underwriter at its address set forth in its Underwriters' Questionnaire, or telex constituting such Questionnaire, which address will be supplied to the Company by the Representative or Representatives upon request. Any such statements, requests, notices or agreements shall take effect upon receipt thereof.

16. This Agreement and each Pricing Agreement shall be binding upon, and inure solely to the benefit of, the Underwriters, the Company and, to the extent provided in Section 10 and Section 11 hereof, the directors and officers of the Company and the Finance Subsidiaries and each person who controls the Company or any Underwriter, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement or any such Pricing Agreement. No purchaser of any of the Securities from any Underwriter shall be deemed a successor or assign by reason merely of such purchase.

17. Time shall be of the essence of each Pricing Agreement. As used herein, "business day" shall mean any day when the Commission's office in Washington, D.C. is open for business.

18. THIS AGREEMENT AND EACH PRICING AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

19. This Agreement and each Pricing Agreement may be executed by any one or more of the parties hereto and thereto in any number of counterparts, each of which shall be deemed to be an original, but all such respective counterparts shall together constitute one and the same instrument.

If the foregoing is in accordance with your understanding, please sign and return to us five counterparts hereof.

Very truly yours,

WAL-MART STORES, INC.

By: /s/ Joseph J. Fitzsimmons

Name: Joseph J. Fitzsimmons
Title: Senior Vice President and Treasurer

WAL-MART CAYMAN (EURO) FINANCE CO.

By: /s/ Rick W. Brazile

Name: Rick W. Brazile
Title: Vice President of Planning & Analysis

WAL-MART CAYMAN (CANADIAN) FINANCE CO.

By: /s/ Rick W. Brazile

Name: Rick W. Brazile
Title: Vice President of Planning & Analysis

WAL-MART CAYMAN (STERLING) FINANCE CO.

By: /s/ Rick W. Brazile

Name: Rick W. Brazile
Title: Vice President of Planning & Analysis

Accepted as of the date hereof:

LEHMAN BROTHERS INC.

By: /s/ Allen B. Cutler

Name: Allen B. Cutler

Title: Managing Director

/s/ Goldman, Sachs & Co.

(Goldman, Sachs & Co.)

For themselves and as Representatives of the several Underwriters named in
Schedule I to the Pricing Agreement

Exhibit 1(b)

PRICING AGREEMENT

October 11, 2001

Morgan Stanley & Co. Incorporated
1585 Broadway
New York, NY 10036

Dear Sirs:

WAL-MART STORES, INC., a Delaware corporation (the "Company"), proposes, subject to the terms and conditions stated herein and in the Underwriting Agreement, dated July 26, 2001, (the "Underwriting Agreement"), between the Company, on the one hand, and you, on the other hand, to issue and sell to you (the "Underwriter") the Securities specified in Schedule II hereto (the "Designated Securities").

Each of the provisions of the Underwriting Agreement is incorporated herein by reference in its entirety and shall be deemed to be a part of this Agreement to the same extent as if such provisions had been set forth in full herein; and each of the representations and warranties set forth therein shall be deemed to have been made at and as of the date of this Pricing Agreement, except that each representation and warranty that refers to the Prospectus in Section 2 or 3 of the Underwriting Agreement shall be deemed to be a representation or warranty as of the date of the Underwriting Agreement in relation to the Prospectus (as therein defined), and also a representation and warranty as of the date of this Pricing Agreement in relation to the Prospectus as amended or supplemented relating to the Designated Securities that are the subject of this Pricing Agreement. Each reference to the Representatives herein and in the provisions of the Underwriting Agreement so incorporated by reference shall be deemed to refer to you. Unless otherwise defined herein, terms defined in the Underwriting Agreement are used herein as therein defined.

A supplement to the Prospectus, relating to the Designated Securities, in the form heretofore delivered to you, is now proposed to be filed with the Commission.

Subject to the terms and conditions set forth herein and in the Underwriting Agreement incorporated herein by reference, the Company agrees to issue and sell to the Underwriter, and the Underwriter agrees to purchase from the Company, at the time and place and at the purchase price to the Underwriter set forth in Schedule II hereto, the principal amount of Designated Securities set forth opposite the name of such Underwriter in Schedule I hereto.

If the foregoing is in accordance with your understanding, please sign and return to us three counterparts hereof, and upon acceptance hereof by you, this letter and such acceptance hereof, including the provisions of the Underwriting Agreement incorporated herein by

reference, shall constitute a binding agreement between the Underwriter and the Company and the Finance Subsidiaries.

Very truly yours,

WAL-MART STORES, INC.

By: /s/ Joseph J. Fitzsimmons

Name: Joseph J. Fitzsimmons
Title: Senior Vice President & Treasurer

Acknowledged and agreed as of the date hereof:

WAL-MART CAYMAN (EURO) FINANCE CO.

By: /s/ Rick W. Brazile

Name: Rick W. Brazile
Title: Vice President of Planning & Analysis

WAL-MART CAYMAN (CANADIAN) FINANCE CO.

By: /s/ Rick W. Brazile

Name: Rick W. Brazile
Title: Vice President of Planning & Analysis

WAL-MART CAYMAN (STERLING) FINANCE CO.

By: /s/ Rick W. Brazile

Name: Rick W. Brazile
Title: Vice President of Planning & Analysis

Accepted as of the date hereof:

MORGAN STANLEY & CO. INCORPORATED

By: /s/ Harold J. Hendershot III

Name: Harold J. Hendershot III
Title: Executive Director

SCHEDULE I

Underwriter -----	Principal Amount of Notes to be Purchased -----
Morgan Stanley & Co. Incorporated.....	\$500,000,000
TOTAL.....	----- \$500,000,000

Schedule I

TITLE OF DESIGNATED SECURITIES:

3.25% Notes Due 2003 (the "Notes").

AGGREGATE PRINCIPAL AMOUNT:

\$500,000,000.

INITIAL OFFERING PRICE TO PUBLIC:

The Underwriter will offer the Notes to the public from time to time for sale in negotiated transactions, or otherwise, at varying prices to be determined at the time of each sale.

PURCHASE PRICE TO UNDERWRITERS:

The purchase price to the Underwriter shall be 99.919% of the principal amount of the Notes (\$499,595,000), plus accrued interest, if any, from October 18, 2001.

SPECIFIED FUNDS FOR PAYMENT OF PURCHASE PRICE:

Immediately available funds by wire.

INDENTURE:

Indenture dated as of July 5, 2001, among the Company, Wal-Mart Cayman (Euro) Finance Co., Wal-Mart Cayman (Canadian) Finance Co., Wal-Mart Cayman (Sterling) Finance Co. (the "Finance Subsidiaries"), as Issuers, Wal-Mart Stores, Inc., as Guarantor, and Bank One Trust Company, NA, as Trustee.

MATURITY:

September 29, 2003.

INTEREST RATE:

3.25% from and including October 18, 2001, and interest shall be payable semi-annually in arrears and shall be calculated on the basis of a 360-day year of twelve 30-day months.

In addition, the Company shall pay Additional Amounts to holders of the Notes as, and to the extent set forth under the caption "Description of the Notes--Payment of Additional Amounts" in the Prospectus Supplement dated the date hereof relating to the Notes.

INTEREST PAYMENT DATES:

March 29 and September 29 of each year, commencing on March 29, 2002.

INTEREST PAYMENT RECORD DATES:

March 15 and September 15 of each year.

REDEMPTION PROVISIONS:

No mandatory redemption provisions.

The Company may, at its option, redeem the Notes in whole, but not in part, as set forth under the caption "Description of the Notes--Redemption upon a Tax Event" in the Prospectus Supplement dated the date hereof relating to the Notes.

SINKING FUND PROVISIONS:

None.

OTHER PROVISIONS:

As set forth in the Prospectus Supplement dated October 11, 2001 (the "Prospectus Supplement") to the Prospectus dated July 25, 2001 (the "Prospectus").

TIME OF DELIVERY:

9:30 a.m. (New York City time) on October 18, 2001.

CLOSING LOCATION:

Simpson Thacher & Bartlett
425 Lexington Avenue
New York, New York 10017

NAMES AND ADDRESSES OF REPRESENTATIVES:

Morgan Stanley & Co. Incorporated
1585 Broadway
New York, New York 10036

ADDRESSES FOR NOTICES:

Morgan Stanley & Co. Incorporated
1585 Broadway, 2/nd/ Floor
New York, New York 10036

Attention: Debt Syndicate Desk
Fax: (212) 761-0783

OTHER MATTERS:

(A) The Underwriter hereby represents to, and agrees with, the Company that: (1) it has not offered or sold and prior to the date six months after the Time of Delivery will not offer to sell Notes in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments as principal or agent for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the public offers of Securities Regulations 1995;

(2) it has complied and will comply with all applicable provisions of the Financial Services Act 1986 with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and (3) it has only issued or passed on, and will only issue or pass on, in the United Kingdom any document received by it in connection with the issue of the Notes to a person who is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisement) (Exemptions) Order 1996 (as amended) or is a person to whom the document may otherwise lawfully be issued or passed on.

(B) The Underwriter hereby acknowledges and agrees that the Notes may not be offered, sold, transferred or delivered in or from The Netherlands, as part of their initial distribution or as part of any re-offering, and neither the Prospectus Supplement and the Prospectus nor any other document in respect of the offering may be distributed or circulated in The Netherlands, other than to individuals or legal entities which include, but are not limited to, banks, brokers, dealers, institutional investors and undertakings with a treasury department, who or which trade or invest in securities in the conduct of a business or profession.

(C) The Underwriter hereby acknowledges and agrees that the Notes have not been registered under the Securities and Exchange Law of Japan and are not being offered or sold and may not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan, except (i) pursuant to an exemption from the registration requirements of the Securities and Exchange Law of Japan and (ii) in compliance with any other applicable requirements of Japanese law.

(D) Notwithstanding Section 9(e) of the Underwriting Agreement, Walkers, Cayman Islands counsel for the Finance Subsidiaries, shall not be required to deliver a written opinion in accordance with such Section 9(e) at the Time of Delivery.

(E) The Underwriter hereby confirms, and the Company hereby acknowledges, that the sole information furnished in writing to the Company by, or on behalf of, the Underwriter specifically for inclusion in the Prospectus Supplement is as follows:

(1) the name of the Underwriter on the front cover page of the Prospectus Supplement;

(2) the fourth paragraph of text under the caption "Table of Contents" in the Prospectus Supplement concerning stabilization, overallotment and related activities by the Underwriter.

(3) the first sentence of the second paragraph of text under the caption "Underwriting" in the Prospectus Supplement concerning certain terms of the offering by the Underwriter; and

(4) the third paragraph of text under the caption "Underwriting" in the Prospectus Supplement concerning stabilization, overallotment and related activities by the Underwriter.

Exhibit 4(a)

WAL-MART STORES, INC.

Series Terms Certificate Pursuant to Section 3.01 of the Indenture

Pursuant to Section 3.01 of the Indenture, dated as of July 5, 2001 (the "Indenture"), made by and among Wal-Mart Stores, Inc., a Delaware corporation (the "Company"), Wal-Mart Cayman (Euro) Finance Co., a Cayman Islands exempted company, Wal-Mart Cayman (Canadian) Finance Co., a Cayman Islands exempted company, Wal-Mart Cayman (Sterling) Finance Co., a Cayman Islands exempted company (collectively, the "Finance Subsidiaries"), Wal-Mart Stores, Inc., in its capacity as guarantor of Securities issued by any of the Finance Subsidiaries pursuant to the Indenture (the "Guarantor"), and Bank One Trust Company, NA, as trustee (the "Trustee"), Rick W. Brazile, Vice President of Planning and Analysis hereby certifies as follows, and Anthony D. George, Senior Corporate Counsel and Assistant Secretary of the Company attests to the following certification. Any capitalized term used herein shall have the definition ascribed to that term as set forth in the Indenture unless otherwise defined herein.

A. This certificate is a Series Terms Certificate contemplated by Section 3.01 of the Indenture and is being executed to evidence the establishment and approval of the terms and conditions of the Series that was established pursuant to Section 3.01 of the Indenture by means of a Unanimous Written Consent of the Executive Committee of the Board of Directors of the Company, dated as of October 11, 2001 (the "Original Series Consent"), which Series is designated as the "3.25% Notes Due 2003" (the "2003 Series"), by Rick W. Brazile, pursuant to the grant of authority under the terms of the Original Series Consent.

B. Each of the undersigned has read the Indenture, including the provisions of Sections 1.02 and 3.01 and the definitions relating thereto, and the resolutions adopted in the Original Series Consent. In the opinion of the undersigned, the undersigned have made such examination or investigation as is necessary to enable the undersigned to express an informed opinion as to whether or not all conditions precedent provided for in the Indenture relating to the execution and delivery by the Trustee of the Indenture, to the creation, establishment and approval of the title, the form and the terms of a Series under the Indenture, and to the authentication and delivery by the Trustee of promissory notes of a Series, have been complied with. In the opinion of the undersigned, (i) all such conditions precedent have been complied with and (ii) there are no Events of Default (as defined in the Indenture), or events which, with the passage of time, would become an Event of Default under the Indenture.

C. Pursuant to the Original Series Consent, the Company is authorized to issue \$500,000,000 aggregate principal amount of promissory notes of the 2003 Series (the "Initial Notes"). A copy of the Original Series Consent is attached hereto as Annex A. Any promissory notes that the Company issues that are a part of the 2003 Series (the "Notes") shall be represented by one or more global securities substantially in the form attached hereto as Annex B (the "Form of Note").

D. Pursuant to Section 3.01 of the Indenture, the terms and conditions of the 2003 Series and the promissory notes forming a part of the 2003 Series, including the Notes, are established and approved to be the following:

1. Designation:

The Series established by the Original Series Consent is designated as the "3.25% Notes due 2003."

2. Aggregate Principal Amount:

The 2003 Series is not limited as to the aggregate principal amount of all the promissory notes of the 2003 Series that the Company may issue. The Company is issuing the Initial Notes, which have an aggregate original principal amount of \$500,000,000.

3. Maturity:

Final maturity of the Notes of the 2003 Series will be September 29, 2003.

4. Interest:

a. Rate

The Notes will bear interest at the annual rate of 3.25%, which interest shall commence accruing from and including October 18, 2001.

Additional Amounts (as defined in
Section 4(a) of the Form of Note) if
any, will also be payable on the
Notes.

b. Payment Dates

Interest will be payable on the Notes semi-annually in arrears on March 29 and September 29 of each year, beginning on March 29, 2002, to the person or persons in whose name or names the Notes are registered at the close of business on the preceding March 15 or September 15, as the case may be.

Interest on the Notes will be
computed on the basis of a 360-day
year of twelve 30-day months.

5. Currency of Payment.

The principal and interest payable with respect to the Notes shall be payable in United States dollars.

6. Payment Places:

All payments of principal of and interest on the Notes will be made to The Depository Trust Company so long as the Notes are in global form, otherwise payment shall be made at the office or agency of the Company in the Borough of Manhattan, The City of New York.

7. Optional Redemption Features:

The Company may redeem the Notes upon the occurrence of certain tax events pursuant to Section 4(b) of the Form of Note.

There is no sinking fund with respect to the Notes.

8. Special Redemption Features, etc.:

None.

9. Denominations:

\$1,000 and integral multiples thereof for the Notes.

10. Principal Repayment:

100% of the principal amount of each Note.

11. Registrar and Paying Agent:

Bank One Trust Company, NA, will be the registrar and paying agent for the Notes.

12. Defeasance:

Sections 11.02, 11.03 and 11.04 of the Indenture apply to the Notes.

13. Payment of Additional Amounts:

The Company shall pay additional amounts as set forth under Section 4 of the Form of Notes.

14. Book-Entry Procedures:

The Notes shall be issued in the form of global Notes registered in the name of CEDE & Co. as nominee of The Depository Trust Company and will be issued in certificated form only in limited circumstances, in each case, as set forth under Sections 11 and 12 of the Form of Notes.

15. Other Terms:

Sections 2, 3, 8, 9, 10, 11, 12, 13, 14, 15, 16 and 17 of the Form of Note attached hereto as Annex B shall also apply to the Notes.

The Notes will not have any terms or conditions of the type contemplated by clause (iii), (vi), (vii), (xii), (xiii), (xiv), (xv), (xvi) (xvii), or (xx) of Section 3.01 of the Indenture.

E. The Notes will be issued pursuant to and governed by the Indenture. To the extent that the Indenture's terms apply to the Notes specifically or apply to the terms of all Securities of all Series established pursuant to and governed by the Indenture, such terms shall apply to the Notes.

IN WITNESS WHEREOF, the undersigned has hereunto executed this Certificate as of October 18, 2001.

/s/ Rick W. Brazile

Rick W. Brazile
Vice President of Planning and Analysis

ATTEST:

/s/ Anthony D. George

Anthony D. George
Senior Corporate Counsel and
Assistant Secretary

ANNEX A

**UNANIMOUS CONSENT TO ACTION
IN LIEU OF SPECIAL MEETING
OF THE EXECUTIVE COMMITTEE OF
THE BOARD OF DIRECTORS
OF WAL-MART STORES, INC.**

October 11, 2001

The undersigned, being all of the members of the Executive Committee of the Board of Directors of Wal-Mart Stores, Inc., a Delaware corporation (the "Company"), do hereby consent to the adoption of the following resolutions in accordance with the provisions of Section 141 (f) of the General Corporation Law of Delaware:

RESOLVED, that a series of senior, unsecured promissory notes of the Company in the initial aggregate principal amount of \$500,000,000 that shall mature on or about September 29, 2003 (the "Series 2003 Notes") shall be, and it hereby is, created, established and authorized for issuance and sale pursuant to the terms of the Indenture dated July 5, 2001 (the "Indenture") between the Company, Wal-Mart Cayman (Euro) Finance Co., Wal-Mart Cayman (Canadian) Finance Co., Wal-Mart Cayman (Sterling) Finance Co. and Bank One Trust Company, NA, as trustee (the "Indenture Trustee"), and

RESOLVED, that the Series 2003 Notes shall have such terms, including the rate at which interest shall accrue thereunder, and shall be in such form as may be established and approved by an Authorized Officer or Authorized Officers (each as defined below) in accordance with the provisions of Section 3.01 of the Indenture pursuant to the authority granted by these resolutions, which approval will be conclusively evidenced by that Authorized Officer's or those Authorized Officers' execution of a Series Terms Certificate with respect to the Series 2003 Notes as contemplated by Section 3.01 of the Indenture.

RESOLVED, that the Chairman, any Vice Chairman, the Chief Executive Officer, the President, any Executive Vice President, any Senior Vice President, the Vice President of Planning and Analysis and the Treasurer of the Company (each an "Authorized Officer") shall be, and each of them hereby is, authorized, in the name and on behalf of this Company, to establish and to approve the terms and conditions of the Series 2003 Notes and to approve the form, terms and conditions of the promissory notes representing notes in the Series 2003 Notes and to execute up to \$500,000,000 principal amount of promissory notes of the Series 2003 Notes (the "2003 Promissory Notes"), all as provided in the Indenture, and to deliver the 2003 Promissory Notes to the Indenture Trustee for authentication and delivery in accordance with the terms of the Indenture.

RESOLVED, that the Indenture Trustee shall be, and it hereby is, authorized and directed to authenticate and deliver 2003 Promissory Notes to or upon the written order of this Company, as provided in the Indenture.

RESOLVED, that the Company shall be, and it hereby is, authorized to perform its obligations under the 2003 Promissory Notes and its obligations under the Indenture, as those obligations relate to the 2003 Promissory Notes.

RESOLVED, that the Company shall be, and it hereby is, authorized to enter into and perform its obligations under, and each Authorized Officer is authorized to execute and deliver, for and on behalf of the Company, a Pricing Agreement (acknowledged by Wal-Mart Cayman (Euro) Finance Co., Wal-Mart Cayman (Canadian) Finance Co., Wal-Mart Cayman (Sterling) Finance Co.) and an Underwriting Agreement among the Company, on the one hand, and Morgan Stanley & Co. Incorporated, (the "Underwriter"), on the other hand, relating to the sale by the Company and the purchase by the Underwriter of up to \$500,000,000 principal amount of 2003 Promissory Notes (the "Underwriting Agreement") and any other agreements necessary to effectuate the intent of these resolutions, the Underwriting Agreement and any other such agreements to be in the forms and to contain the terms, including the price to be paid to the Company by the Underwriter for the 2003 Promissory Notes being purchased pursuant to the Underwriting Agreement, and conditions that the Authorized Officer executing the same approves, such approval to be conclusively evidenced by that Authorized Officer's execution and delivery of the Underwriting Agreement or other agreement.

RESOLVED, that the Company shall be, and it hereby is, authorized to sell the 2003 Promissory Notes to the Underwriter pursuant to the Underwriting Agreement at the price and pursuant to the other terms and conditions of the Underwriting Agreement.

RESOLVED, that the Company shall be, and it hereby is, authorized to issue one or more global certificates to represent all of the 2003 Promissory Notes and not otherwise issue the Notes in definitive form, and to permit each global certificate representing 2003 Promissory Notes to be registered in the name of a nominee of The Depository Trust Company ("DTC") and beneficial interests in the global Notes to be otherwise shown on, and transfers of such beneficial interests effected through, records maintained by DTC and its participants.

RESOLVED, that the signatures of the Authorized Officers executing any 2003 Promissory Notes may be the manual or facsimile signatures of the present or any future Authorized Officers and may be imprinted or otherwise reproduced thereon, and any such facsimile signature shall be binding upon the Company, notwithstanding the fact that at the time the Notes are authenticated and delivered and disposed of, the person signing the facsimile signature shall have ceased to be an Authorized Officer.

RESOLVED, that, without in any way limiting the authority heretofore granted to any Authorized Officer, the Authorized Officers shall be, and each of them singly is, authorized and empowered to do and perform all such acts and things and to execute and deliver, for and on behalf of the Company, any and all documents and instruments and to take any and all such actions as they may deem necessary, desirable or proper in order to carry out the intent and

purpose of the foregoing resolutions and fully to establish the Series 2003 Notes and to perform the provisions of the Underwriting Agreement, the Indenture and the 2003 Promissory Notes, and to incur on behalf of the Company all such expenses and obligations in connection therewith as they may deem proper.

Dated to be effective as of October 11, 2001

/s/ David D. Glass

David D. Glass

/s/ H. Lee Scott, Jr.

H. Lee Scott, Jr.

/s/ S. Robson Walton

S. Robson Walton

/s/ Thomas M. Coughlin

Thomas M. Coughlin

Exhibit 4(b)

This Note is a global security and is registered in the name of CEDE & CO., as nominee of the Depository, The Depository Trust Company. Unless and until this Note is exchanged for Notes in definitive form, this Note may not be transferred except as a whole by the Depository or a nominee of the Depository to the Depository or another depository or by the Depository or any such nominee to a successor depository or a nominee of such successor depository.

Unless this Note is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

Wal-Mart Stores, Inc.

3.25% NOTES DUE 2003

Number A-
§

CUSIP No.: 931142BP7
ISIN No.: US931142BP70
Common Code: 013757534

WAL-MART STORES, INC., a corporation duly organized and existing under

the laws of the State of Delaware, and any successor corporation pursuant to the Indenture (herein referred to as the "Company"), for value received, hereby promises to pay to CEDE & CO. or registered assigns, the principal sum of _____ on September 29, 2003 in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, and to pay interest, computed on the basis of a 360-day year of twelve 30-day months, semi-annually in arrears on March 29 and September 29 of each year, or if any such day is not a Business Day, on the next succeeding Business Day (each, an "Interest Payment Date"), commencing on March 29, 2002, on said principal sum in like coin or currency, at the rate per annum specified in the title of this Note from October 18, 2001 or from the most recent March 29 or September 29 to which interest has been paid or duly provided for. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will be paid to the person in whose name this Note is registered (the "holder") at the close of business on the preceding March 15, in the case of an Interest Payment Date of March 29, and on the preceding September 15, in the case of an Interest Payment Date of September 29 (each, a "Record Date").

Reference is made to the further provisions of this Note set forth on the succeeding sections hereof. Such further provisions shall for all purposes have the same effect as though fully set forth at this place.

This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Trustee under the Indenture referred to in Section 1 hereof.

IN WITNESS WHEREOF, the Company has caused this instrument to be signed by its Chairman of the Board, its Vice Chairman, its President or one of its Vice Presidents by manual or facsimile signature under its corporate seal, attested by its Secretary, one of its Assistant Secretaries, its Treasurer or one of its Assistant Treasurers by manual or facsimile signature.

Wal-Mart Stores, Inc.

By: _____

Name:

Title:

[SEAL]

Attest: _____

Name:

Title:

Dated: October 18, 2001

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated herein referred to in the within-mentioned Indenture.

Bank One Trust Company, NA, as Trustee

By: _____ Authorized Signatory

WAL-MART STORES, INC.

3.25% NOTES DUE 2003

1. **Indenture; Notes.** This Note is one of a duly authorized series of Securities of the Company designated as the "3.25% Notes due 2003" (the "Notes"), initially issued in an aggregate principal amount of \$500,000,000 on October 18, 2001. Such series of Securities has been established pursuant to, and is one of an indefinite number of series of debt securities of the Company, issued or issuable under and pursuant to, the Indenture, dated as of July 5, 2001 (the "Indenture"), duly executed and delivered by the Company, Wal-Mart Cayman (Euro) Finance Co., Wal-Mart Cayman (Canadian) Finance Co. and Wal-Mart Cayman (Sterling) Finance Co. as Issuers, the Company as Guarantor and Bank One Trust Company, NA, as Trustee (the "Trustee"), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the holders of the Notes and of the terms upon which this Note is, and is to be, authenticated and delivered. The terms, conditions and provisions of the Notes are those stated in the Indenture, those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and those set forth in this Note. To the extent that the terms, conditions and other provisions of this Note modify, supplement or are inconsistent with those of the Indenture, then the terms, conditions and other provisions of this Note shall govern.

All capitalized terms which are used but not defined in this Note shall have the meanings assigned to them in the Indenture.

The Company may, without the consent of the holders, issue and sell additional Securities ranking equally with the Notes and otherwise identical in all respects (except for their date of issue, issue price and the date from which interest payments thereon shall accrue) so that such additional Securities shall be consolidated and form a single series with the Notes; provided, however, that no additional Securities of any existing or new series may be issued under the Indenture if an Event of Default has occurred and remains uncured thereunder.

2. **Ranking.** The Notes shall constitute the senior unsecured debt obligations of the Company and shall rank equally in right of payment among themselves and with all other existing and future senior, unsecured and unsubordinated debt obligations of the Company.

3. **Payment of Overdue Amounts.** The Company shall pay interest, calculated on the basis of a 360-day year of twelve 30-day months, on overdue principal and overdue installments of interest, if any, from time to time on demand at the interest rate borne by the Notes to the extent lawful.

4. **Payment of Additional Amounts; Redemption Upon a Tax Event.** (a) **Payment of Additional Amounts.** The Company shall pay to the holder of this Note who is a United States Alien (as defined below) such additional amounts as may be necessary so that every net payment of principal of and interest on this Note to such holder, after deduction or withholding for or on account of any present or future tax, assessment or other governmental charge imposed upon such holder by the United States of America or any taxing authority thereof or therein, will not be less than the amount provided in the Notes to be then due and

payable (such amounts, the "Additional Amounts"); provided, however, that the Company shall not be required to make any payment of Additional Amounts for or on account of:

(i) any tax, assessment or other governmental charge that would not have been imposed but for (A) the existence of any present or former connection between such holder, or between a fiduciary, settlor, beneficiary of, member or shareholder of, or possessor of a power over, such holder, if such holder is an estate, trust, partnership or corporation, and the United States including, without limitation, such holder, or such fiduciary, settlor, beneficiary, member, shareholder or possessor, being or having been a citizen or resident of the United States of America or treated as a resident thereof or being or having been engaged in trade or business or present in the United States of America, or (B) the presentation of this Note for payment on a date more than 30 days after the later of

(x) the date on which such payment becomes due and payable and (y) the date on which payment thereof is duly provided for;

(ii) any estate, inheritance, gift, sales, transfer, excise, personal property or similar tax, assessment or other governmental charge;

(iii) any tax, assessment or other governmental charge imposed by reason of such holder's past or present status as a passive foreign investment company, a controlled foreign corporation, a personal holding company or foreign personal holding company with respect to the United States of America, or as a corporation which accumulates earnings to avoid United States federal income tax;

(iv) any tax, assessment or other governmental charge which is payable otherwise than by withholding from payment of principal of or interest on this Note;

(v) any tax, assessment or other governmental charge required to be withheld by any paying agent from any payment of principal of or interest on this Note if such payment can be made without withholding by any other paying agent;

(vi) any tax, assessment or other governmental charge which would not have been imposed but for the failure to comply with certification, information, documentation or other reporting requirements concerning the nationality, residence, identity or connections with the United States of America of the holder or beneficial owner of this Note, if such compliance is required by statute or by regulation of the United States Treasury Department as a precondition to relief or exemption from such tax, assessment or other governmental charge;

(vii) any tax, assessment or other governmental charge imposed on interest received by (A) a 10% shareholder (as defined in Section 871(h)(3)(B) of the United States Internal Revenue Code of 1986, as amended (the "Code"), and the regulations that may be promulgated thereunder) of the Company or (B) a controlled foreign corporation with respect to the Company within the meaning of the Code; or

(viii) any combination of items (i), (ii), (iii), (iv), (v), (vi) and (vii) in this Section 4(a);

nor shall any Additional Amounts be paid to any holder who is a fiduciary or partnership or other than the sole beneficial owner of this Note to the extent that a beneficiary or settlor with respect to such fiduciary, or a member of such partnership or a beneficial owner thereof would not have been entitled to the payment of such Additional Amounts had such beneficiary, settlor, member or beneficial owner been the holder.

"United States Alien" means any corporation, partnership, individual or fiduciary that is, as to the United States of America, a foreign corporation, a non-resident alien individual who has not made a valid election to be treated as a United States resident, a non-resident fiduciary of a foreign estate or trust, or a foreign partnership one or more of the members of which is, as to the United States of America, a foreign corporation, a non-resident alien individual or a non-resident fiduciary of a foreign estate or trust.

(b) Redemption Upon a Tax Event. The Notes may be redeemed at the option of the Company in whole, but not in part, on a date (such date, the "Tax Redemption Date") to be fixed by the Company on not more than 60 days' and not less than 30 days' notice, at a redemption price equal to 100% of the principal amount of the Notes (the "Redemption Price") plus accrued but unpaid interest, if any, thereon, if the Company determines that as a result of any change in or amendment to the laws, treaties, regulations or rulings of the United States of America or any political subdivision or taxing authority thereof, or any proposed change in such laws, treaties, regulations or rulings, or any change in the official application, enforcement or interpretation of such laws, treaties, regulations or rulings, including a holding by a court of competent jurisdiction in the United States of America, or any other action, other than an action predicated on laws generally known on or before October 11, 2001 except for proposals before the U.S. Congress before such date, taken by any taxing authority or a court of competent jurisdiction in the United States of America, or the official proposal of any such action, whether or not such action or proposal was taken or made with respect to the Company, (A) the Company has or will become obligated to pay Additional Amounts or (B) there is a substantial possibility that the Company will be required to pay such Additional Amounts.

Prior to the publication of any notice of redemption pursuant to Section 15 hereof, the Company shall deliver to the Trustee (1) an Officers' Certificate stating that the Company is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the rights of the Company to so redeem have occurred and (2) an Opinion of Counsel to such effect based on such statement of facts.

If the Company elects to redeem the Notes pursuant to this Section 4(b), then it shall give notice to the holders pursuant to Section 15 hereof.

The notice of redemption, shall specify the following:

(i) the Tax Redemption Date;

(ii) a brief statement to the effect that the Notes are being redeemed at the option of the Company pursuant to this Section 4(b) and a brief statement of the facts permitting such redemption;

(iii) that on the Tax Redemption Date, the Redemption Price, plus accrued but unpaid interest on the Notes, if any, will become due and payable;

(iv) the amount of the Redemption Price and accrued but unpaid interest, if any, that will be due and payable on the Notes on the Tax Redemption Date;

(v) the place or places of payment of the amounts due under clause (iv) above;

(vi) that payment of the amounts due under clause (iv) above will be made upon presentation and surrender of the Notes; and

(vii) that, following the redemption of the Notes pursuant to this Section 4(b), interest shall cease to accrue thereon.

The notice of redemption regarding the Notes shall be, at the election of the Company, given by the Company or, at the Company's request, by the Trustee in the name and at the expense of the Company.

On or before the opening of business on any Tax Redemption Date, the Company shall deposit with the Trustee or with the Paying Agent or, if the Company is acting as its own paying agent, segregate and hold in trust as provided in Section 5.03 of the Indenture, an amount of money sufficient to pay the Redemption Price of, and except if the Tax Redemption Date shall be an Interest Payment Date, accrued but unpaid interest on, the Notes to be redeemed on the Tax Redemption Date.

The notice of redemption having been given as specified above, the Notes shall, on the Tax Redemption Date, become due and payable at the Redemption Price, and from and after such date, unless the Company shall default in the payment of the Redemption Price and accrued but unpaid interest, if any, the Notes shall cease to bear interest. Upon surrender of the Notes for redemption in accordance with such notice, the Notes shall be paid by the Company at the Redemption Price, together with accrued but unpaid interest, if any, to the Tax Redemption Date.

If the Notes, having been called for redemption, shall not be so paid upon surrender thereof for redemption, the Redemption Price shall, until paid, bear interest from the Tax Redemption Date at the interest rate borne by this Note.

5. Place and Method of Payment. The Company shall pay principal of and interest on the Notes at the office or agency of the Paying Agent in the Borough of Manhattan, The City of New York; provided, however, that at the option of the Company, the Company may pay interest by check mailed to the person entitled thereto at such person's address as it appears on the Registry for the Notes.

6. Defeasance of the Notes. Sections 11.02, 11.03 and 11.04 of the Indenture shall apply to the Notes.

7. No Redemption; Sinking Fund. The Notes are not redeemable prior to maturity, other than as set forth in Section 4(b) hereof, and are not subject to a sinking fund.

8. Amendment and Modification. Article Nine of the Indenture contains provisions for the amendment or modification of the Indenture and the Notes without the consent of the holders in certain circumstances and requiring the consent of holders of not less than a majority in aggregate principal amount of the Notes and Securities of other series that would be affected in certain other circumstances. However, the Indenture requires the consent of each holder of the Notes and Securities of other series that would be affected for certain specified amendments or modifications of the Indenture and the Notes. These provisions of the Indenture, which provide for, among other things, the execution of supplemental indentures, are applicable to the Notes.

9. Default; Waiver. If an Event of Default with respect to the Notes shall occur and be continuing, then either the Trustee or the Holders of not less than 25% in aggregate principal amount of the Notes of this series then Outstanding may declare the aggregate principal amount of the Notes of this series to be immediately due and payable in the manner, with the effect and subject to the conditions provided in the Indenture. The Indenture provides that in the event of such a declaration, the holders of a majority in aggregate principal amount of all of the Notes of this series then outstanding, voting as a separate class, in accordance with the provisions of, and in the circumstances provided by, the Indenture, may rescind and annul the declaration and its consequences and the related default and its consequences may be waived with respect to all of the Notes.

10. Absolute Obligation. No reference herein to the Indenture and no provisions of the Notes or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this Note at the place, at the time and in the coin or currency herein prescribed.

11. Form and Denominations; Global Notes; Definitive Notes. The Notes are being issued in registered form without coupons in denominations of \$1,000 and multiples of \$1,000. The Notes are being issued in the form of global notes (each, a "Global Note"), evidencing all or any portion of the Notes and registered in the name of DTC or its nominee (including their respective successors) as Depositary under the Indenture. The Notes shall be issued in certificated form (each, a "Definitive Note") only in the following limited circumstances: (1) the Depositary is at any time unwilling or unable to continue as Depositary or ceases to be a clearing agency registered under applicable law, and a successor depositary is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such ineligibility, (2) the Company delivers to the Trustee a Company Order to the effect that this Note shall be exchangeable for Definitive Notes or (3) an Event of Default has occurred and is continuing with respect to the Notes, in each such case this Note shall be exchangeable for Definitive Notes in an equal aggregate principal amount. Such Definitive Notes shall be registered in such name or names as the Depositary shall instruct the Trustee.

12. Registration, Transfer and Exchange. As provided in the Indenture and subject to certain limitations therein set forth, the Company shall provide for the registration of the Notes and the transfer and exchange of the Notes, whether in global or Definitive form. At the option of the holders, at any office or agency designated and maintained by the Company for such purpose (the "Transfer Agent") pursuant to the provisions of the Indenture, and in the manner and subject to the limitations provided in the Indenture, but without the payment of any service charge, except for any transfer tax or other governmental charges imposed in connection

therewith subject to Section 4 hereof, the Notes may be transferred or exchanged for an equal aggregate principal amount of the Notes of like tenor and of other authorized denominations upon surrender and cancellation of the Notes upon any such transfer.

The Company, the Trustee, and any agent of the Company or of the Trustee may deem and treat the holder as the absolute owner of this Note (whether or not the Notes shall be overdue and notwithstanding any notation of ownership or other writing hereon), for the purpose of receiving payments hereon, or on account hereof, and for all other purposes, and neither the Company nor the Trustee nor any agent of the Company or of the Trustee shall be affected by any notice to the contrary. All such payments made to or upon the order of such holder shall, to the extent of the amount or amounts paid, effectually satisfy and discharge liability for moneys payable on this Note.

Notwithstanding the preceding paragraphs of this Section 12, any registration of transfer or exchange of a Global Note shall be subject to the terms of the legend appearing on the initial page thereof.

13. No Recourse Against Others. No recourse under or upon any obligation, covenant or agreement of the Company arising under or set forth in the Notes or under the Indenture, or for any claim based thereon or otherwise in respect thereof, shall be had against any incorporator, stockholder, officer or director, as such, past, present or future, of the Company or of any successor corporation, either directly or through the Company or any successor corporation, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty or otherwise, any and all such personal liability, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such incorporator, stockholder, officer or director, as such, being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released.

14. Appointment of Agents. Bank One Trust Company, NA is hereby appointed the Registrar for the purpose of registering the Notes and transfers and exchanges of the Notes pursuant to the Indenture and this Note, Paying Agent pursuant to Section 3.04 of the Indenture and Transfer Agent with respect to the Notes at its offices in the Borough of Manhattan, The City of New York.

15. Notices. If the Company is required to give notice to the holders of the Notes pursuant to the terms of the Indenture, then it shall do so by the means and in the manner set forth in Section 1.06 of the Indenture.

In addition, the Company shall give notices to the holders of the Notes by publication in a leading daily newspaper in The City of New York and in London. Initially, such publication shall be made in The City of New York in The Wall Street Journal and in London in the Financial Times. Any such notice shall be deemed to have been given on the date of publication or, if published more than once, on the date of the first publication.

16. Separability. In case any provision of the Indenture or the Notes shall, for any reason, be held to be invalid, illegal or unenforceable, then the validity, legality and

enforceability of the remaining provisions thereof and hereof shall not in any way be affected or impaired thereby.

17. GOVERNING LAW. THE NOTES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

ASSIGNMENT FORM

To assign this Note, fill in the form below:

For the value received, the undersigned hereby assigns and transfers the within Note, and all rights thereunder, to:

(Insert assignee's legal name)

(Insert assignee's social security or tax identification number)

(Print or type assignee's name, address and zip code)

and irrevocably appoint _____

to transfer this Note on the books of Wal-Mart Stores, Inc. The agent may substitute another to act for it.

Your Signature: _____

(Sign exactly as your name appears on the face of this Note)

Date: _____

Signature Guarantee

The signature(s) should be Guaranteed by an Eligible Guarantor Institution pursuant to Rule 17Ad-15 of the Securities Exchange Act of 1934, as amended.

* * * * *

The following abbreviations, when used in the inscription on the face of the within Note, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common
TEN ENT - as tenants by the entirety
JT ENT - as joint tenants with right
of survivorship and not as
tenants in common

_____ UNIF GIFT MIN ACT - _____ Custodian _____ under the Uniform Gifts
(Cust) (Minor)

to Minors Act _____

(State)

Additional abbreviations may also be used although not in the above list.

Exhibit 5

Hughes Luce LLP 1717 Main Street, Suite 2800 Dallas, TX 75201 214.939.5500 214.939.6100 fax

hughesluce.com

October 18, 2001

Wal-Mart Stores, Inc.
702 S.W. 8th Street
Bentonville, Arkansas 72716

Ladies and Gentlemen:

Reference is made to the Pricing Agreement, dated as of October 11, 2001 (the "Pricing Agreement"), between Wal-Mart Stores, Inc. (the "Company") and Morgan Stanley & Co. Incorporated (and acknowledged by Wal-Mart Cayman (Euro) Finance Co., a Cayman Islands exempted company, Wal-Mart Cayman (Canadian) Finance Co., a Cayman Islands exempted company, Wal-Mart Cayman (Sterling) Finance Co., a Cayman Islands exempted company (collectively, the "Finance Subsidiaries")), and to that certain Underwriting Agreement, dated July 26, 2001 (the "Underwriting Agreement"), by and among the Company, the Finance Subsidiaries and the underwriters named therein, as incorporated by reference into the Pricing Agreement (the Underwriting Agreement and the Pricing Agreement are collectively referred to as the "Agreement").

Further reference is made to the Registration Statement on Form S-3 (File No. 333-64740) which was prepared pursuant to the Securities Act of 1933, as amended (the "1933 Act"), was filed with the Securities and Exchange Commission (the "Commission") on July 6, 2001, was amended by a Pre-Effective Amendment No. 1 filed with the Commission on July 24, 2001 and became effective at 10:00 a.m. E.D.T. on July 26, 2001 (the "Registration Statement"), and the Prospectus, dated July 25, 2001, as amended or supplemented (the "Base Prospectus"), and the Prospectus Supplement, dated October 11, 2001, supplementing the Base Prospectus (the "Prospectus Supplement"), constituting a part of the Registration Statement. The Base Prospectus relates to the delayed public offering of up to \$6,000,000,000 in aggregate principal amount of unsecured debt Notes of one or more of the Company and the Finance Subsidiaries (the "Debt Notes") issuable under the Indenture, dated as of July 5, 2001 (the "Indenture"), between the Company and the Finance Subsidiaries as Issuers, the Company as the Guarantor of any Debt Notes issued by any of the Finance Subsidiaries and Bank One Trust Company, NA, as Trustee (the "Trustee"). The Prospectus Supplement relates to the public offering of \$500,000,000 aggregate principal amount of the Company's 3.25% Notes Due 2003 (the "Notes"). As used herein, the term "Registration Statement" shall mean the Registration Statement in the form in which it became effective on July 26, 2001, including the documents incorporated by reference or deemed to be incorporated by reference therein as of the date hereof

pursuant to Item 12 of Form S-3 under the 1933 Act. As used herein, the term "Prospectus" shall mean the Base Prospectus and Prospectus Supplement combined, constituting a part of the Registration Statement, including the documents incorporated by reference or deemed to be incorporated by reference therein as of the date hereof pursuant to Item 12 of Form S-3 under the 1933 Act.

We have acted as special counsel to the Company in connection with its issue and sale of the Notes. In rendering this opinion, we have examined and relied upon, without investigation or independent verification, executed originals, counterparts or copies of the Restated Certificate of Incorporation and By-laws of the Company, each as amended and restated to date, the Articles of Association and Articles of Memorandum of each Finance Subsidiary, the Indenture, resolutions of the Executive Committee of the Board of Directors of the Company and such other documents, records and certificates as we considered necessary or appropriate to enable us to express the opinions set forth herein. In all such examinations, we have assumed the authenticity and completeness of all documents submitted to us as originals and the conformity to authentic and complete originals of all documents submitted to us as photostatic, conformed, notarized or certified copies.

In rendering this opinion, we have assumed that (i) all information contained in all documents reviewed by us is true and complete, (ii) each natural person signing any document reviewed by us had the legal capacity to do so, (iii) each person signing in a representative capacity (other than on behalf of the Company or a Finance Subsidiary) had the authority to sign in such capacity; (iv) the Registration Statement and any amendments thereto (including any post-effective amendment thereto) have become effective and comply with all applicable laws, (v) the Prospectus has been prepared and filed with the Commission describing the Notes offered thereby in accordance with all applicable laws, (vi) all Notes will be issued and sold in compliance with applicable federal and state securities laws and in the manner stated in the Registration Statement and the Prospectus Supplement, (vii) the Underwriting Agreement has been duly authorized and validly executed and delivered by the Company and the other parties thereto, and (viii) that at or prior to the time of delivery of each Note, the authorization of the Notes and of the Series of the Notes of which that Note is a part will not be modified or rescinded, and there will not have occurred any change in law affecting the validity or enforceability of those Notes.

As to facts material to our opinion, we have made no independent investigation of such facts and have relied, to the extent that we deem such reliance proper, upon certificates of public officials and officers or other representatives of the Company.

Based on the foregoing and subject to the qualifications set forth below, we are of the opinion that upon the execution and delivery of the Notes and their authentication in accordance with the terms of Indenture against payment therefor in accordance with the Agreement, the Notes will be legally issued and constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms and will be entitled to the benefits of the Indenture.

The foregoing opinion is qualified to the extent that the enforceability of any document, instrument, or Note may be limited by or subject to the effects of

(i) bankruptcy, insolvency, moratorium, fraudulent conveyance or transfer, reorganization, or other similar laws relating to or affecting creditors' rights generally, (ii) general principles of equity or public policy

principles, and (iii) the refusal of a particular court to grant equitable remedies, including specific performance and injunctive relief or a particular remedy sought under the Indenture as opposed to another remedy provided for therein or available at law or in equity.

We express no opinions concerning (i) the validity or enforceability of any provisions contained in the Indenture or the Notes that purport to waive or not give effect to rights to notice, defenses, subrogation or other rights or benefits that cannot be effectively waived under applicable law, (ii) the enforceability of indemnification provisions to the extent that they purport to relate to liabilities resulting from or based on negligence or any violation of any federal or state securities laws, (iii) the enforceability of severability clauses, or (iv) the enforceability of any provision in the Indenture or the Notes that purports to waive liability for violation of securities laws.

The foregoing opinions are limited in all respects to the federal laws of the United States of America, the General Corporation Law of the State of Delaware, the laws of the State of New York, and the laws of the State of Texas. We do not express any opinion as to the laws of any other jurisdiction. For purposes of expressing the opinions set forth herein, we have assumed that the laws of the State of New York are identical to the laws of the State of Texas.

This opinion letter may be filed as an exhibit to a Current Report on Form 8-K of the Company in connection with the offer and sale of the Notes by the Company. In giving this consent, we do not admit that we are included in the category of persons whose consent is required under Section 7 of the 1933 Act or the rules and regulations of the Commission promulgated thereunder.

Very truly yours,

/s/ Hughes & Luce, L.L.P.

End of Filing

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